QUARTERLY REPORT THIRD QUARTER - 2004

July 1, 2004 through September 30, 2004

VALLEY BROADCASTING COMPANY, LICENSEE OF KVBC-TV, CHANNEL 3, SERVING, LAS VEGAS, NEVADA, HAS DETERMINED THAT THE ISSUES OF CONCERN TO THE COMMUNITY SERVED BY IT ARE AS FOLLOWS:

1. GROWTH

Growth continues to be a tremendous issue for adults in our community. The overall **infrastructure** of the valley concerns our citizens, positively and negatively with: stressful **traffic** and **construction**; **water** shortage, availability, and usage for business and personal use; the **housing** market's peak with the recent rush to purchase homes, creating some incredible apartment lease deals; diversity of **employment** and jobs continue to be strong, but issues for casino corporate buyouts and mergers concern employees about the stability of their jobs.

2. EDUCATION

A serious issue of concern in our community is **education** as the nation's largest school district grown rapidly. People are concerned about the quality of the **teachers**, the **hiring** and **screening** process it uses along with the **accountability** for that process. A significant **safety** concern during summer is **teens driving** recklessly since **school activities** are more limited.

3. CRIME

Crimes including **illegal drug use** and misuse of **alcoho**l specifically related to **DUI** continue to be concern for people living in Las Vegas. In a 24 hour town, **safety and law enforcement** issues, along with keeping families safe as part of a **personal home safety** program are one the forefront of the minds of people in Southern Nevada. **Terrorism** across the world and the impact on people in our area is also an issue viewers express concern over.

4. LIFESTYLES

In a town where **gambling and casinos** are part of people's everyday **lifestyles**, it is still a town that cares about their **community image**. **Family and marriage issues** are a concern for local residents as well as **health and medical** issues. It is a city that engages in year round **sporting activities** and as the temperate rises locals enjoy **summer getaways** to beat the heat.

5. **ECONOMICS**

A booming **economy** driven by **tourism** continues to have both positive and negative effects on the people of Las Vegas. **Gas prices** hit record highs recently and continue to be well above the national average. An effort to raise the **minimum wage** promises to be a hot issues as voters get the chance to raise it by a dollar. Wage

issues and the **cost of living** in southern Nevada continue to be important **money issues** for people in the area.

6. POLITICS

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The community is already seeing heavy politics developing. As a swing state, **issues** are a huge part of the **campaigns** being displayed to the public. Voters not only look at the issues but examine the **representation** of the political parties when making their decisions. The one thing that a political campaign does seem to bring out in everyone is **patriotism f**or their country and their rights as a US citizen.

7. OLYMPICS

With the upcoming **Olympics** approaching many feel pride and **patriotism** for their country and their athletes. However issues of concern regarding **drug-testing** on the athletes arise and **security** has become a major concern for this year's Olympics in Athens. Our community gets excited to see **locals** participating in the events and gets behind those athletes to show their support.

THE PROGRAMMING AND PUBLIC SERVICE ANNOUNCEMENTS PRODUCED AND AIRED BY VALLEY BROADCASTING COMPANY RESPOND TO THESE LOCAL ISSUES OF CONCERN. ILLUSTRATIVE IS THE FOLLOWING LIST OF PROGRAMMING AIRED DURING THE REPRESENTATIVE WEEKS OF: July 12-18, 2004, August 9-15, 2004 and September 6-12, 2004.

STORIES APPEARING ON NEWS 3 SUNRISE, NEWS 3 AT SUNRISE, NEWS 3 TODAY, NEWS 3 AT NOON, FIRST NEWS 3 AT FOUR, NEWS 3 AT FIVE, NEWS 3 AT SIX, NEWS 3 NIGHTSIDE, NEWS 3 SUNRISE, THE WEEKEND REPORT, NEWS 3 TODAY, THE WEEKEND REPORT, NEWS 3 AT FIVE, THE WEEKEND REPORT, NEWS 3 AT SIX, THE WEEKEND REPORT, AND NEWS 3 NIGHTSIDE, THE WEEKEND REPORT ARE OF A 1 MINUTE 15 SECOND/1 MINUTE 45 SECOND DURATION.

INSTRUCTIONAL PROGRAMS APPEARING ON NEWS 3 INCLUDE: (1) HEALTHLINE 3, WHICH FEATURES MEDICAL BREAKTHROUGHS, HEALTH WARNINGS, MEDICAL STUDIES, AND PREVENTATIVE CLINICS; (2) "BABY YOUR BABY" OFFERING INFORMATION ENCOURAGING WOMEN TO SEEK EARLY AND CONTINUOUS PRENATAL CARE; (3) CRIMETRACKER, WHICH FOCUSES ON THE LATEST CRIME FIGHTING TECHNIQUES AND SPECIAL PROGRAMS PROVIDED BY LOCAL POLICE FOR THE COMMUNITY AND ANY HONORS OR AWARDS GIVEN TO POLICE; (4) MAKE A WISH, A PROGRAM THAT HELPS GRANT THE WISHES OF A CHILD WITH A TERMINAL OR LIFE-THREATENING ILLNESS; (5) SAVING YOU MONEY, WHICH FOCUSES ON TIPS TO MAKE YOUR DOLLAR GO A LILTTLE FURTHER AND STORIES ABOUT THE ECONOMY; (6) KIDS FIRST, WHICH PROFILES WHATS HAPPENING WITH OUR KIDS, BOTH POSITIVE AND NEGATIVE TRENDS, AND EDUCATION RELATED TOPICS; (7) WWW.KVBC.COM, OUR WEBSITE, WHICH FEATURES CRIMETRACKER, BABY YOUR BABY, MAKE-A-WISH, SAVING YOU MONEY, AND KIDS FIRST INFORMATION 24 HOURS A DAY.

ADDITIONALLY, KVBC IS A STATION AFFILIATED WITH THE NATIONAL BROADCASTING COMPANY, INC. TELEVISION NETWORK. THE STATION CARRIES REGULARLY SCHEDULED PROGRAMMING OF THAT NETWORK WHICH INCLUDES PROGRAMS WHICH RESPOND TO ISSUES OF IMPORTANCE TO THE COMMUNITY.

KVBC ALSO PERIODICALLY HOSTS A "CALL 3" PROGRAM. THIS IS A NEWS AND INFORMATIONAL-TYPE PROGRAM, WHICH IS BROADCAST ON AN AS-NEEDED BASIS, DICTATED BY EVENTS AFFECTING OUR COMMUNITY. EXPERTS, EXPERIENCED IN THE TOPIC KVBC COVERS, ANSWER ONE OF SEVEN TELEPHONES IN THE "CALL 3" ROOM AND RESPOND TO SPECIFIC AND DIRECT INQUIRIES FROM THE COMMUNITY AT LARGE. THE CALL-IN PROGRAM ITSELF IS CONDUCTED OVER A ONE TO THREE HOUR PERIOD AT THE TELEVISION STATION. KVBC DOES LIVE CUT-INS DURING "CALL 3" WHICH EITHER RUN DURING NEWSCASTS, NEWS SPECIALS AND/OR DOCUMENTARIES.